GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2425
ANSWERED ON:01.08.2016
Procurement of Diesel from Private Companies
Jadhav Shri Prataprao Ganpatrao;Patil Shri A.T. (Nana);Vasava Shri Mansukhbhai Dhanjibhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has taken note that the Oil Marketing Companies (OMCs) have not procured bio-diesel as mandated/ required under the purchase policy from private companies;
(b) if so, the details thereof along with the quantum of bio-diesel procured so far;
(c) whether the higher officials of OMCs are not very keen to procure bio-diesel and if so, the details thereof along with the action taken by the Government against such officials;
(d) the steps taken by the Government to ensure production of oil in commensurate with their potential by the private companies in order to reduce the import of diesel; and
(e) the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE)
(SHRI DHARMENDRA PRADHAN)
(a) to (e) : The Ministry of Petroleum and Natural Gas had announced a Bio-diesel Purchase Policy in October 2005, under which, Oil Marketing Companies (OMCs) would purchase bio-diesel at a uniform price as may be decided by the OMCs from time to time, for blending with High Speed Diesel (HSD) to the extent of 5% at identified 20 purchase centres across the country.
However, OMCs could not procure biodiesel upto August, 2015 as biodiesel producers were not coming forward to supply their biodiesel at the prices decided by OMCs from time to time.
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On 10.8.2015, the Government allowed the sale of Bio-diesel (B100) by private manufacturers to bulk consumers like Railways, State Transport Corporations and other bulk consumers. Also, retailing of bio-diesel blended diesel by Public Sector Oil Marketing Companies (OMCs) has started on the same day.
As a result, the biodiesel procurement by Public Sector OMCs has started. As on 1.7.2016, 1.32 crore litre Biodiesel (B100) has been procured by Public Sector OMCs. During the current Financial Year also, OMCs have finalised a quantity of 4.01 crore litres of biodiesel for the period of April − September, 2016.
Besides, Ministry of Petroleum and Natural Gas has taken following recent initiatives to take forward the biodiesel programme :
(i) A Steering Committee has been constituted in the Ministry to take forward the bio-fuel programme of the country.
(ii) A separate Biofuel Cell has been constituted in Ministry of Petroleum and Natural Gas for dedicated focus on Biofuels. The Cell, besides being a technical repository on Biofuels, also monitors biodiesel procurement and blending by OMCs.
(iii) Bureau of Indian Standards (BIS) has revised the standalone Biodiesel (B100) specification and also developed specification for biodiesel blend from B6- B20.
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